



"Serving Michigan's Cattlemen Since 1960"

September 16, 2015

Senate Agriculture Committee
P.O. Box 30036
Lansing, MI 48909

Honorable Members of the Senate Agriculture Committee:

The Michigan Cattlemen's Association urges you to support SR 87, a resolution to urge the United States Senate to concur with the United States House of Representatives and repeal the Country-of-Origin Labeling regulations.

Country-of-Origin Labeling (COOL) has been enforced since March of 2009. Over the past six years, our industry has been burdened by additional production costs to comply with COOL. In a USDA economic analysis completed in May, the 10 year costs to the U.S. cattle industry exceed \$8 billion.

In 2014, Michigan exported \$134 million of fresh or frozen beef to Canada. Now that the World Trade Organization (WTO) has issued its fourth and final decision that COOL violates our trade agreements with Canada and Mexico, both of these countries are preparing to levy retaliatory tariffs against our beef and many other U.S. commodities and goods. In fact, they are finalizing tariff implementation with the WTO in Geneva this week.

Canada and Mexico have historically been two of the top export markets for U.S. beef. In 2014, each country exceed \$1 billion in U.S. beef purchases, representing about one-third of the industry's total export market value. Loosing access to those markets due to tariffs levied because of COOL could cost beef producers \$115 to \$120 per animal.

Cattlemen are not against labeling, as there are many industry-led programs driven by consumer demand that provide value to both consumers and producers. COOL is a failed government-mandated program. There are no other options left in the WTO process, and there is no alternative or compromise position that will make COOL work. The only option to ensure that retaliation won't take place, and to prevent further costs to U.S. cattle producers and a host of other industries is to repeal COOL. We encourage you to take a proactive stand and urge the U.S. Senate to repeal COOL before we incur the devastating financial hit of retaliation.

Sincerely,

Dennis Peterson
President